QUESTIONS FOR THE RECORD

Hearing on Trade, Manufacturing, and Critical Supply Chains: Lessons from Covid-19

House Ways & Means Committee
Subcommittee on Trade

Question from Congressman Jimmy Panetta

Medical supply chains, especially those of pharmaceuticals and PPE, have been under intense scrutiny in the last few months. I have heard concerns that we do not have – and will not likely have – a full picture of our nation's medical supply chain given current access to airborne trade data. Do you believe we, as a country, have the necessary levels of insight into these supply chains to securely source the supplies our first responders rely on?

Answer: Congressman Panetta, as the medical products industry has become more globalized and specialized, end-to-end visibility of the supply chain has become more challenging. For medicines, the Food and Drug Administration (FDA) obtains information about the finished pharmaceutical product (FPP) site and the manufacturer of active pharmaceutical ingredient (API) for a given drug. However, the API manufacturers are not required to report the volume they are producing, neither the FPP manufacturer required to report the volume they are sourcing from a specific API producer. As a result, it does not offer a full picture of the supply chain. For medical devices such as PPE, information about the upstream supply chain is even weaker because the FDA does not have as much control over component part suppliers to medical device manufacturers.

Firms which supply and/or manufacture PPE (and other medical products) have data on their suppliers, location, manufacturing capacity, and other relevant details, but currently there is no voluntary or mandatory sharing mechanism for such data. Global trade data provides some information about imports and exports of PPE, but the level of data granularity is poor, and it does not allow accurate and real-time analysis.

Greater visibility in the medical products supply chain is much needed. It will allow proactive identification of points in the supply chain where the risks of supply disruption are high or the capability to meet demand surges is low. Such visibility will help build greater resilience in the medical supply chain. In addition, such information may also reduce risks of poor quality.